



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

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**DIRECTIVE A.I. 2011-05**

**ISSUED: September 22, 2011**

**TO: All insurers, including Facility Association, transacting the business of automobile insurance in the province of Newfoundland and Labrador**

**SUBJECT: Revised Loss Trends and Development Factors  
Private Passenger and Commercial Vehicles**

The Board advises that the Loss Trends and Development Factors accepted for use by insurers in making Private Passenger and Commercial automobile insurance rate filings have been updated to include industry data to December 31, 2011.

Insurers may use these factors as published without requirement for supporting data or rational. Insurers opting to use factors other than those accepted by the Board will be required to provide satisfactory data supporting their chosen factors and rational why their selected factors are more appropriate for use by the insurer.

Insurers contemplating a Category 2 automobile insurance rate filing should reference the attached, or refer to the Board's website at [www.pub.nl.ca/insurance.htm](http://www.pub.nl.ca/insurance.htm).

Should you have any questions regarding this matter please contact Mr. Ryan Oake, Regulatory Analyst, at [roake@pub.nl.ca](mailto:roake@pub.nl.ca).

Yours truly,

A handwritten signature in blue ink that reads "Cheryl Blundon".

Cheryl Blundon  
Board Secretary

Attachment

**Oliver Wyman Selected Loss Trend Rates  
As of December 31, 2010  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	0.0%	+2.0%
Property Damage	+2.0%	+2.0%
Accident Benefits	0.0%	+5.0%
Uninsured Automobile	0.0%	0.0%
Collision	+2.0%	+2.0%
Comprehensive	+9.5%	+9.5%
Specified Perils	+9.5%	+9.5%
All Perils	+4.0%	+4.0%
SEF 44	+5.0%	+5.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of December 31, 2010  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2010-2  
Age-to-Ultimate Factors  
Incurred Claim Amount**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Compre- hensive</b>	<b>Specified Perils</b>	<b>All Perils</b>	<b>Uninsured</b>
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0010	1.0000	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9997	0.9998	1.0000	0.9998	0.9999	1.0000	1.0000	1.0000
126-Ult	0.9997	0.9998	1.0000	0.9998	0.9999	1.0000	1.0000	1.0000
120-Ult	1.0031	0.9996	1.0000	0.9998	0.9999	1.0000	1.0000	1.0000
114-Ult	1.0042	0.9995	1.0027	0.9995	0.9999	1.0000	1.0000	1.0000
108-Ult	1.0008	0.9995	1.0021	0.9999	0.9995	1.0000	1.0000	1.0001
102-Ult	1.0057	0.9995	1.0009	0.9987	0.9995	1.0000	1.0000	0.9625
96-Ult	1.0041	0.9992	0.9992	0.9985	0.9995	1.0000	1.0000	0.9575
90-Ult	1.0073	1.0007	0.9957	0.9973	0.9995	1.0000	1.0000	0.9505
84-Ult	1.0049	1.0008	1.0034	0.9986	0.9995	1.0000	1.0000	0.9396
78-Ult	1.0077	1.0005	1.0039	0.9984	0.9995	1.0000	1.0000	0.9438
72-Ult	1.0038	1.0006	1.0034	0.9983	0.9996	1.0000	1.0000	0.9321
66-Ult	1.0061	1.0002	1.0006	0.9978	0.9995	1.0000	1.0015	0.9193
60-Ult	1.0109	1.0010	0.9949	0.9976	0.9996	1.0000	1.0015	0.9225
54-Ult	1.0153	1.0002	0.9684	0.9977	0.9993	1.0000	1.0049	0.9176
48-Ult	1.0146	1.0001	0.9427	0.9980	0.9986	1.0000	1.0050	0.9333
42-Ult	1.0360	0.9979	0.9324	0.9980	0.9987	1.0000	1.0050	0.9643
36-Ult	1.0427	0.9949	0.9212	0.9976	0.9982	1.0000	1.0031	0.9557
30-Ult	1.0555	0.9920	0.9044	0.9942	0.9986	1.0000	0.9959	0.9843
24-Ult	1.0674	0.9891	0.9042	0.9895	0.9975	1.0000	0.9960	1.0564
18-Ult	1.0893	0.9872	0.9051	0.9801	0.9996	1.0000	0.9856	1.1446
12-Ult	1.1329	0.9749	0.8303	0.9480	1.0093	0.9816	0.9328	1.2839
6-Ult	1.5333	1.0973	0.8575	0.8777	1.1319	0.9622	0.9032	1.8587

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of December 31, 2010  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2010-2  
Age-to-Ultimate Factors  
Incurred Claim Count**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Compre- hensive</b>	<b>Specified Perils</b>	<b>All Perils</b>	<b>Uninsured</b>
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9998	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9996	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	0.9987	0.9997	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	0.9989	0.9996	0.9998	0.9999	1.0000	1.0000	1.0000	1.0000
108-Ult	0.9962	0.9996	0.9991	1.0001	1.0000	1.0000	1.0000	0.9981
102-Ult	0.9959	0.9995	0.9982	1.0001	1.0000	1.0000	1.0000	0.9942
96-Ult	0.9951	0.9992	0.9984	1.0001	1.0001	1.0000	1.0000	0.9912
90-Ult	0.9940	0.9991	0.9977	1.0000	1.0001	1.0000	1.0000	0.9853
84-Ult	0.9938	0.9990	0.9977	1.0000	1.0001	1.0000	1.0000	0.9833
78-Ult	0.9936	0.9990	0.9959	0.9999	1.0001	1.0000	1.0000	0.9761
72-Ult	0.9879	0.9983	0.9949	0.9998	1.0002	1.0000	1.0000	0.9677
66-Ult	0.9833	0.9979	0.9956	0.9998	1.0001	1.0000	1.0000	0.9677
60-Ult	0.9797	0.9977	0.9922	0.9997	1.0000	1.0000	1.0000	0.9665
54-Ult	0.9773	0.9968	0.9903	0.9995	0.9999	1.0000	1.0000	0.9605
48-Ult	0.9716	0.9962	0.9826	0.9996	0.9999	1.0000	1.0000	0.9363
42-Ult	0.9625	0.9955	0.9779	0.9996	0.9999	1.0000	1.0000	0.9251
36-Ult	0.9500	0.9940	0.9713	0.9990	1.0000	1.0000	1.0000	0.9105
30-Ult	0.9383	0.9914	0.9655	0.9976	1.0005	1.0000	1.0000	0.9022
24-Ult	0.9180	0.9897	0.9384	0.9956	1.0022	1.0000	0.9952	0.8767
18-Ult	0.8997	0.9850	0.9046	0.9922	1.0063	1.0000	0.9942	0.8568
12-Ult	0.8673	0.9766	0.8454	0.9812	1.0296	0.9950	0.9786	0.8676
6-Ult	0.9646	1.0673	0.8458	0.9626	1.3063	1.0900	1.0213	1.0211

**Oliver Wyman Selected Loss Trend Rates  
As of December 31, 2010  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	0.0%	0.0%
Property Damage	+1.5%	+1.5%
Accident Benefits	+5.0%	+5.0%
Collision	+2.0%	+2.0%
Comprehensive	+3.0%	+3.0%
Specified Perils	+3.0%	+3.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of December 31, 2010  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

**As of 2010-2  
Age-to-Ultimate Factors  
Incurred Claim Amount**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Comprehensive</b>
180-Ult	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000
90-Ult	0.998	1.000	0.992	1.000	1.000
84-Ult	0.997	1.000	0.985	1.000	1.000
78-Ult	0.995	1.000	0.985	1.000	1.000
72-Ult	1.002	1.000	0.978	1.000	1.000
66-Ult	0.996	1.000	0.947	1.000	1.000
60-Ult	1.020	1.008	0.992	1.000	1.000
54-Ult	1.010	1.003	0.965	1.000	1.000
48-Ult	1.012	1.005	0.982	1.000	1.000
42-Ult	1.041	1.008	0.991	1.000	1.000
36-Ult	1.073	1.012	0.981	1.000	1.000
30-Ult	1.088	1.008	0.961	0.998	1.000
24-Ult	1.067	1.001	0.956	0.997	1.010
18-Ult	1.257	0.997	0.957	0.988	1.010
12-Ult	1.399	1.034	0.962	0.969	1.009
6-Ult	2.085	1.156	1.226	1.007	1.166

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of December 31, 2010  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

**As of 2010-2  
Age-to-Ultimate Factors  
Incurred Claim Count**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Comprehensive</b>
180-Ult	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000
90-Ult	1.000	1.000	0.994	1.000	1.000
84-Ult	0.995	1.000	0.994	1.000	1.000
78-Ult	0.998	1.000	0.994	1.000	1.000
72-Ult	0.999	1.000	0.988	1.000	1.000
66-Ult	0.999	1.000	0.986	1.000	1.000
60-Ult	0.993	1.000	0.988	1.000	1.000
54-Ult	0.991	1.000	0.988	1.000	1.000
48-Ult	0.978	1.000	0.985	1.000	1.000
42-Ult	0.966	1.000	0.975	1.000	1.000
36-Ult	0.962	0.995	0.967	1.000	1.000
30-Ult	0.949	0.995	0.940	0.997	1.000
24-Ult	0.948	0.991	0.934	0.999	1.001
18-Ult	0.952	0.987	0.946	0.994	1.001
12-Ult	0.958	0.989	0.892	0.972	1.022
6-Ult	1.090	1.075	1.003	0.954	1.293